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508

FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY BENGHAZI

27
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

August 29, 1958
DATE

REF : Emb. Desp. 18, Aug. 21, 1958;
Embtel 85 to Dept. Aug. 20 and Deptel 131, Aug. 23, 1958;

67 For Dept. Use Only	ACTION AF-5	DEPT.
	REC'D 9/6	INFO OTHER PMR-2 REP-2 IRC-8 ICA-10 c w/msc-1 EUR-5 PIA-12 USIA-10 ARMY-4 NAVY-3 AIR-3

SUBJECT: Libyan Request for Extraordinary Financial Assistance from USG Because of Security Measures during Middle East Crisis

There is enclosed a memorandum of my conversation with the Prime Minister (and Acting Foreign Minister) of Libya on August 28, on the subject of the request for extraordinary assistance from the United States Government, in the amount of one million dollars, to meet the unforeseen expenditures connected with the measures required to be taken by the Government of Libya as a result of the Middle East crisis, and a copy of the Aide Memoire embodying our suggestion that this request should most appropriately be considered in the context of the annual United States/Government of Libya economic aid talks, which we propose take place in October/November this year, and that meantime the Government of Libya should endeavor to meet the unforeseen requirements from its current cash position. The Prime Minister indicated his acceptance of our position.

J. Wesley Jones

J. Wesley Jones

Enclosures: 1/ list

1. Memorandum of Conversation
2. Aide Memoire

Copies to:

Amembassy TRIPOLI (1)
USOM, TRIPOLI (1)
USOM, Benghazi (1)

DEPARTMENT OF STATE A/CDC/MR
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2 enclosures

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Encl. No. 1
Desp. No. 27
From AMEMBASSY BENGHAZI

MEMORANDUM OF CONVERSATION

Benghazi, August 28, 1958

SUBJECT: Libyan Request for Extraordinary Financial Assistance from USG Because of Security Measures during Middle East Crisis

PARTICIPANTS: His Excellency Abd al-Majid Ku'bar, Prime Minister of the United Kingdom of Libya;

J. Wesley Jones, American Ambassador.

PLACE: Prime Minister's Office, Benghazi, August 28, 1958, 12:30 p.m.

DISTRIBUTION: To Department as enclosure to Despatch 27; USOM Tripoli (1); USOM Benghazi (1).

I called on the Prime Minister this morning at my request. I referred to the conversation which His Excellency and the Foreign Minister had had with me two weeks ago (August 12) concerning the measures required to be taken by the Government of Libya as a result of the Middle East crisis. I recalled that the Prime Minister had felt it necessary, in view of the extraordinary expenses incurred, to request some special assistance at this time from the United States Government. I then followed (in Italian) fairly closely the text of the Aide Memoire (copy attached). When I referred to the current cash position of the Libyan Government, he expressed some surprise and said that the Libyan Government had no ready cash which was not otherwise committed. I replied that, from recent reports of the National Bank of Libya, the cash position of the Libyan Government had improved between six and seven million dollars in the first two weeks of August. I went on to say that it seemed to us that the Government of Libya could finance its extraordinary expenditures out of these or other reserves through the rest of the fiscal year and until such time as the annual review for next year's budget.

Mr. Ku'bar indicated his acceptance of the United States position,

and asked for something in writing along the lines of my exposition to him. I gave him the Aide Memoire.

JWJones/PMcC

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AIDE-MEMOIRE

Referring to the conversation between His Excellency the Prime Minister and the American Ambassador on August 12, 1958, the Ambassador made the following comments with respect to His Excellency's Note of the same date, concerning the measures required to be taken by the Government of Libya as a result of the Middle East crisis, and requesting extraordinary assistance from the United States Government, in the amount of one million dollars, to meet the unforeseen expenditures connected with these measures:

The Ambassador expressed admiration for the effective internal security measures taken by the Government of Libya and restated the desire of the United States Government to cooperate fully in this effort to safeguard the independence and integrity of Libya. He recalled the assistance already furnished by the United States in this connection, and referred particularly to the delivery of a substantial quantity of arms and ammunition to the Tripolitanian police on July 22, 1958, within eight days from the time the request for such equipment was received from the Commissioner of Police in Tripolitania. (A detailed list of the equipment is attached).

Returning to His Excellency's request for one million dollars in extraordinary assistance, the Ambassador suggested that this request should most appropriately be considered in the context of the annual United States -- Government of Libya economic aid talks, which will review the full range of the Government of Libya's requirements for next year, and expressed the hope that such talks could be considerably advanced this year and take place during October/November. The Ambassador urged that the Government of Libya, in the meantime, endeavor to meet the unforeseen requirements resulting from the Middle East crisis from its current cash position.

Embassy of the United States of America,
Benghazi, August 28, 1958.

Attachment:
List of police equipment

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031.1/8-2858

LIST OF EQUIPMENT FURNISHED BY THE UNITED STATES TO THE TRIPOLITANIAN POLICE ON JULY 22, 1958

100 U.S. military rifles

10 riot guns

300 .38 calibre revolvers

1,000 rounds of ammunition for riot guns

30,000 rounds of ammunition for military rifles

30,000 rounds of ammunition for .38 calibre revolvers

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